

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

Minute Entry

Hearing Information:

Debtor: TUCSON ONE, LLC
Case Number: 4:17-BK-11219-BMW **Chapter:** 11
Date / Time / Room: WEDNESDAY, JUNE 13, 2018 10:30 AM COURTROOM 446
Bankruptcy Judge: BRENDA M. WHINERY
Courtroom Clerk: REBECCA VOLZ
Reporter / ECR: WESLEY STANGRET

Matter:

PRELIMINARY HEARING ON THE MOTION FOR RELIEF FROM STAY FILED BY US BANK RE: COMMERCIAL
REAL PROPERTY LOCATED AT 3700 E. FORT LOWELL ROAD, TUCSON, AZ
R / M #: 48 / 0

Appearances:

JEFFREY NEFF REPRESENTING TUCSON ONE, LLC AND APPEARING IN PERSON
DEAN WALDT REPRESENTING THE LENDER AND APPEARING IN PERSON

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(continue)... 4:17-BK-11219-BMW

WEDNESDAY, JUNE 13, 2018 10:30 AM

Proceedings:

Mr. Waldt requests that the Court grant stay relief today.

The Court states that there is an amended plan and disclosure statement. There is also a motion for valuation pending. This Court does not usually grant stay relief at this stage unless the circumstances are egregious. The Court usually sets the final hearing on stay relief to track plan confirmation.

Mr. Waldt argues in favor of stay relief. He states that the secured lender holds a claim for approximately \$2.6 million. The debtor initially valued the property at \$1.1 million. The most recently amended plan values the property at \$850,000.00. According to the debtor's value, there is no equity and the lender is undersecured. There has been a diminution of value. The property is vacant and in disrepair. No offer has been made regarding adequate protection and the debtor does not have the ability to provide adequate protection. He requests that the Court grant stay relief today due to the acknowledged diminution of value and because the debtor has no ability to provide adequate protection.

****10:49 AM****

Mr. Neff responds. The previous valuations were made without the benefit of appraisal. The debtor's principal was simply guessing at the previous values. The debtor's principal, who personally guaranteed the loan, has been paying the post-petition taxes and all post-petition taxes are current. The most recent value is based on an actual appraisal. There has not been a diminution of value. He requests a continued hearing.

The Court states that it understands the arguments. This is a very difficult plan for this debtor to confirm. There has not been evidence regarding the value of the property so the diminution of value has not been established with this Court.

COURT: THE COURT WILL NOT GRANT STAY RELIEF TODAY. A FINAL HEARING WILL BE SET AND STAY RELIEF WILL TRACK CONFIRMATION. WITH RESPECT TO THE VALUATION, THE INITIAL VALUATION HEARING WILL BE SET WITH INITIAL PLAN CONFIRMATION AS WELL. IF EVIDENCE IS NEEDED, THE COURT WILL SET AN EVIDENTIARY HEARING FOR SOME DATE AFTER THE INITIAL PLAN CONFIRMATION HEARING. A FINAL HEARING ON THE MOTION FOR RELIEF FROM STAY AND THE INITIAL HEARING REGARDING THE MOTION TO DETERMINE VALUE ARE SET FOR WEDNESDAY 08/01/18 AT 10:30 AM. PARTIES MAY APPEAR IN TUCSON COURTROOM 446 OR PHOENIX COURTROOM 301.